

INFO	LOG-00	AID-00	AMAD-00	CIAE-00	INL-00	DODE-00	PERC-00
	DS-00	VCI-00	H-00	TEDE-00	INR-00	LAB-01	L-00
	CAC-00	MOFM-00	MOF-00	VCIE-00	NSAE-00	NSCE-00	NIMA-00
	CAEX-00	GIWI-00	MA-00	FMPC-00	SP-00	IRM-00	SSO-00
	SS-00	NCTC-00	R-00	DSCC-00	PRM-00	DRL-00	NFAT-00
	SAS-00	FA-00	SWCI-00	/001W			

-----4A3C5D 310939Z /38

R 310925Z MAR 09  
 FM AMEMBASSY LUSAKA  
 TO SECSTATE WASHDC 6867  
 INFO SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE  
 DEPT OF TREASURY WASHDC

C O N F I D E N T I A L LUSAKA 000220

E.O. 12958: DECL: 03/30/2019  
 TAGS: [PGOV](#) [ZA](#)  
 SUBJECT: ZAMBIAN COMMUNICATIONS AND TRANSPORT MINISTER  
 UNDER INVESTIGATION

Classified By: Ambassador Donald Booth for Reasons 1.4 (b) and (d).

11. (SBU) Summary. Communications and Transport Minister Dora Siliya is embroiled in a public tribunal launched by former Communications Minister William Harrington and members of civil society. The Zambian Government (GRZ) continues to support Siliya, who is alleged to have circumvented tender procedures and engaged in corruption in the award of three government contracts. To the general public, the tribunal provides proof of persistent and pervasive corruption within the GRZ, despite the government's protracted anti-corruption campaign. It also serves as a gauge of President Banda's commitment to fighting corruption. Lack of progress on our "Open Skies" agreement is likely due to Siliya's preoccupation with the ongoing investigation. End Summary.

#### Tribunal Probes Corruption Allegations

12. (U) In late February, former Communications and Transport Minister William Harrington, along with ten civil society organizations, petitioned Acting Chief Justice Irene Mambilima to appoint a tribunal to investigate Siliya for abuse of office. Mambilima acquiesced to the request and formed a four-person tribunal composed of Supreme Court Judge Dennis Chirwa (chair), Supreme Court Judge Peter Chitengi (member), High Court Judge Evans Hamaundu (member), and Deputy Director of Subordinate Courts Maka Phiri (secretary). The tribunal commenced its work on March 2 and is scheduled to submit its findings on April 12.

#### Allegations

13. (U) Siliya faces allegations that she engaged in corruption and circumvented tender procedures in the award of three government contracts:

--RP Capital: Acting against the Attorney General's advice, Siliya awarded a two million dollar contract to RP Capital Partners of Cayman Islands to evaluate Zamtel assets in preparations for the semi-privatization of the state-owned telecom company. Siliya is alleged to have awarded the contract without following tender procedures.

--SELEX: Siliya allegedly cancelled a duly-awarded contract by the Zambian National Tender Board to Thales Air Systems of South Africa for the supply, delivery, and installation of radar systems at Lusaka and Livingstone airports. Subsequently, Siliya awarded the contract to the Italian SELEX Sistemi Integrati.

--Saro Engineering: Siliya reportedly received a personal refund of 12.5 million Kwacha (approximately USD 2,200) as a "kick-back" for the purchase of two hand pumps, valued at five million Kwacha, from the Zambian-based Saro Engineering.

Friends on High

¶4. (SBU) Despite compelling evidence that Siliya over-stepped her authority and abused her office, senior government leaders, including President Banda and Vice President Kunda, have rushed to her defense, publicly announcing that Siliya had not been involved in any wrongdoing. At the outset of the case, the President described Siliya as "too smart for her accusers." On numerous occasions, Vice President Kunda unequivocally proclaimed Siliya's innocence.

¶5. (SBU) Siliya's high-level support is countered by a groundswell of public disapproval. Many local political and legal experts express skepticism that the tribunal will be conducted freely and independently. State House's statements appear to implicate the President more than vindicate Siliya.

On March 19, a tribunal witness testified that the President's son, Henry Banda, had been working for or on behalf of RP Capital.

¶6. (SBU) Some accuse President Banda, who dismissed two deputy ministers for alleged insubordination on February 26 (the day the tribunal was launched), of attempting to intimidate civil servants from cooperating in the tribunal. Meanwhile, the government has not launched a criminal investigation into allegations against Siliya, but rather has commenced a police inquiry into the suspected leaks to the press that precipitated the case.

¶7. (C) Several civil society representatives told Emboff that Chief Justice Ernest Sakala, who had been on medical leave when the petition was filed, returned to office upon receiving news of the approved petition. The civil society representatives also relayed that Chief Justice Sakala revised the composition of Mambilima's tribunal to consist of members who would be more sympathetic to Siliya. They also referred to widely circulating, yet unconfirmed, rumors that President Banda and Chief Justice Sakala are cousins and that Siliya is the Chief Justice's niece.

#### Double Standard

¶8. (SBU) The case comes on the heels of the bankruptcy of Zambian Airways, a privately owned company that was essentially shut down because Siliya and the Banda Administration refused to show flexibility with regard to the payback period of unpaid airport fees and taxes. Rather than let the company, whose owners include the owner of the daily independent (and blatantly anti-Banda) newspaper and the Task Force on Corruption lead prosecutor, slide quietly into insolvency, the GRZ launched three parallel criminal investigations to ascertain whether the airline abused loans it had received from the Zambian Development Bank.

¶9. (C) Comment. To many observers, the GRZ's and Siliya's principled stance regarding Zambian Airways' debts appears hypocritical in light of the accusations against Siliya. Government's heavy-handedness toward Zambian Airways, compared to its defense of -- and possible implication in -- other acts of alleged corruption suggest that the GRZ is willing to abuse the private sector for its own political and economic advantage. The tribunal will serve as a gauge for measuring the extent to which the current Administration truly intends to confront corruption, as well as President Banda's commitment to respecting the independence of the judiciary and the processes for upholding the rule of law.

BOOTH